

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

U.S. BANK NATIONAL ASSOCIATION, AS  
TRUSTEE OF THE LEHMAN BROTHERS  
SMALL BALANCE COMMERCIAL  
MORTGAGE PASS THROUGH CERTIFICATES,  
2007-1

Civil Action No.: 09 civ. 0998 (FB)

Plaintiff,

v.

DR. KENNETH CRUTCH, THE CITY OF NEW  
YORK PARKING VIOLATION BUREAU and  
JOHN DOE Nos. 1-100

Defendants.

**DECLARATION OF STEVEN CAROULIS**

1. I am a Vice President of Aurora Bank FSB f/k/a Lehman Brothers Bank FSB ("Lehman Brothers"), the attorney-in-fact for the plaintiff in this foreclosure of a commercial loan, U.S. Bank National Association, as Trustee of the Lehman Brothers Small Balance Commercial Mortgage Pass Through Certificates 2007-1 ("U.S. Bank"). I make this declaration on behalf of U.S. Bank in support of its motion for summary judgment.

2. I base the statements contained herein on my personal knowledge and, where not based upon my personal knowledge, upon my review of the records regarding loan number 0203119862 for the borrower named "Dr. Kenneth Crutch," which records have been maintained by Lehman Brothers in the normal course of its business of serving said loan.

3. Lehman Brothers serviced the subject loan on its own behalf, as holder of the subject Note (defined below), between January 2007 and October 2008. Lehman Brothers

continued to service the loan thereafter and up to the present date on behalf of plaintiff U.S. Bank, as its attorney-in-fact pursuant to a duly executed power of attorney.

4. On or about November 16, 2006, Greenpoint Mortgage Funding, Inc. ("Greenpoint") made a loan to the defendant in this action, Dr. Kenneth Crutch, in the principal amount of \$600,000.00 (the "Loan").

5. To evidence and secure the Loan, Dr. Crutch duly executed and delivered to Greenpoint: (i) a certain Adjustable Rate Mortgage Note, dated November 16, 2006, made by Dr. Kenneth Crutch in favor of Greenpoint (the "Note"); and (ii) a certain Mortgage, dated November 16, 2006, made by Dr. Kenneth Crutch in favor of Greenpoint (the "Mortgage").

6. I have attached hereto as Exhibit A a true and accurate copy of the Mortgage.

7. I have also attached hereto as Exhibit B a true and accurate copy of the Note. The original document is ten pages long, with an endorsement on the back of the page reading "WITHOUT RE COURSE PAY TO THE ORDER OF: Lehman Brothers Bank, FSB." In the copy submitted herewith, that endorsement stamp/notation is copied onto a separate page following the Note itself. I mention this in order to make it perfectly clear that, in the original document, the stamp/notation is affixed directly onto the back of the document.

8. Greenpoint's endorsement of the Note to the order of Lehman Brothers occurred at or about the same time that Greenpoint assigned the Mortgage to Lehman Brothers. I have attached hereto as Exhibit C a true and accurate copy of the Assignment of Mortgage, dated January 18, 2007.

9. Lehman Brothers purchased the Note from Greenpoint for valuable consideration. At that time, Lehman Brothers was not aware of any facts which should have prevented it from

purchasing the Note. Further, it had no notice of any defenses whatsoever against the enforcement of the note.

10. I have attached hereto as Exhibit D a true and accurate copy of the Origination File that accompanied the Note when it was purchased by Lehman Brothers. Nothing in the file evidences any irregularities, representations or omissions that could provide a defense to the foreclosure of the subject commercial mortgage.

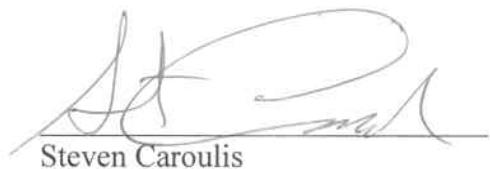
11. Defendant ceased making payments on the Note on or about August 2008, following which Lehman Brothers declared Dr. Crutch to be in default and accelerated the loan so that the entire balance became due and owing. I attach hereto as Exhibit E a true and accurate copy of a transaction report showing Defendant's payment history. I also attach hereto as Exhibit F a true and accurate copy of the September 11, 2008 letter by which Lehman Brothers notified Dr. Crutch of his default and the acceleration of the loan. At that time, Dr. Crutch was given an opportunity to cure his default, which he failed to do.

12. On or about October 24, 2008, Lehman Brothers Bank, FSB assigned all rights under the Note and Mortgage to Plaintiff U.S. Bank, as Trustee of the Lehman Brothers Small Balance Commercial Mortgage Pass Through Certificates 2007-1. I have attached hereto as Exhibit G a copy of the allonge by which the Note was transferred. I have also attached hereto as Exhibit H a copy of the Assignment of Mortgage.

13. U.S. Bank purchased the Mortgage and Note for valuable consideration without knowledge of any defense that Dr. Crutch could interpose regarding his obligations under those documents.

Dated: Foothill Ranch, California  
February 22, 2010

The foregoing is affirmed as true and correct under penalty of perjury pursuant to 28  
U.S.C. § 1746.



A handwritten signature in black ink, appearing to read "S. Caroulis".

Steven Caroulis

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